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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1679**

March 5, 2007

Authored by Johnson, Walker and Hilty

The bill was read for the first time and referred to the Energy Finance and Policy Division

1.1 A bill for an act
1.2 relating to utilities; modifying payment arrangements for current and past due
1.3 bills and undercharges; amending Minnesota Statutes 2006, sections 216B.098,
1.4 subdivisions 3, 4; 504B.215, subdivision 3.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 216B.098, subdivision 3, is amended to
1.7 read:

1.8 Subd. 3. **Payment agreements.** During any period of the year when sections
1.9 216B.095 and 216B.097 do not apply, a utility shall offer a payment agreement for
1.10 the payment of ~~arrears~~ current and past due utility bills that considers the financial
1.11 circumstances of the customer's household.

1.12 Sec. 2. Minnesota Statutes 2006, section 216B.098, subdivision 4, is amended to read:

1.13 Subd. 4. **Undercharges.** (a) A utility shall offer a payment agreement to customers
1.14 who have been undercharged if no culpable conduct by the customer or resident of the
1.15 customer's household caused the undercharge. The agreement must cover a period equal
1.16 to the time over which the undercharge occurred or a different time period that is mutually
1.17 agreeable to the customer and the utility, except that a payment agreement offered by a
1.18 utility to a customer whose household income is at or below 50 percent of state median
1.19 household income must consider the financial circumstances of the customer's household.

1.20 (b) No interest or delinquency fee may be charged ~~under this~~ as part of an
1.21 undercharge agreement under this subdivision.

1.22 (c) If a customer inquiry or complaint results in the utility's discovery of the
1.23 undercharge, the utility may bill for undercharges incurred after the date of the inquiry

2.1 or complaint only if the utility began investigating the inquiry or complaint within a
 2.2 reasonable time after when it was made.

2.3 Sec. 3. Minnesota Statutes 2006, section 504B.215, subdivision 3, is amended to read:

2.4 Subd. 3. **Procedure.** (a) When a municipality, public utility company, cooperative
 2.5 electric association, or other company supplying home heating oil, propane, natural gas,
 2.6 electricity, or water to a building has issued a final notice or has posted the building
 2.7 proposing to disconnect or discontinue the service to the building because a landlord who
 2.8 has contracted for the service has failed to pay for it or because a landlord is required by
 2.9 law or contract to pay for the service and fails to do so, a tenant or group of tenants may
 2.10 pay to have the service continued or reconnected as provided under this section. Before
 2.11 paying for the service, the tenant or group of tenants shall give oral or written notice to
 2.12 the landlord of the tenant's intention to pay after 48 hours, or a shorter period that is
 2.13 reasonable under the circumstances, if the landlord has not already paid for the service.
 2.14 In the case of oral notification, written notice ~~shall~~ must be mailed or delivered to the
 2.15 landlord within 24 hours after oral notice is given.

2.16 (b) In the case of natural gas, electricity, or water, if the landlord has not yet paid the
 2.17 bill by the time of the tenant's intended payment, or if the service remains discontinued,
 2.18 the public utility, municipality, or cooperative electric association shall continue or restore
 2.19 service if the tenant or tenants may pay the ~~outstanding bill~~ current charges for the most
 2.20 recent billing period; ~~if the utility company or municipality will restore the service for at~~
 2.21 ~~least one billing period.~~ The public utility, municipality, or cooperative electric association:

2.22 (1) may not demand or collect any arrears attributable to the landlord's account;

2.23 (2) shall apply tenant payments to the landlord's account; and

2.24 (3) shall continue service so long as the tenant or tenants continue to pay current
 2.25 bills for service on a timely basis. A tenant or tenants may elect to become the customer of
 2.26 record, but a public utility, municipality, or cooperative electric association may not require
 2.27 a tenant or tenants to become the customer of record as a condition of continuing service.

2.28 (c) In the case of home heating oil or propane, if the landlord has not yet paid the
 2.29 bill by the time of the tenant's intended payment, or if the service remains discontinued,
 2.30 the tenant or tenants may order and pay for one month's supply of the proper grade and
 2.31 quality of oil or propane.

2.32 (d) After submitting receipts for the payment to the landlord, a tenant may deduct
 2.33 the amount of the tenant's payment from the rental payment next paid to the landlord. Any
 2.34 amount paid to the municipality, utility company, or other company by a tenant under this
 2.35 subdivision is considered payment of rent to the landlord for purposes of section 504B.291.